
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: School Corporations

FROM: Susan Clark Budget Division Director

RE: Capital Projects Fund Plan Template and Notices for Budget Year 2016

DATE: May 22, 2015

Pursuant to IC 20-46-6-11 and 50 IAC 9, a school corporation desiring to have a Capital Projects Fund (“CPF”) budget or tax levy must adopt a CPF Plan (“Plan”) for the upcoming budget year. The school corporation must provide its taxpayers with proper notice of both the proposed Plan and the adopted Plan. The Department of Local Government Finance (“Department”) is providing the attached templates to assist school corporations in meeting these notice and plan adoption requirements.

Notice to Taxpayers

While IC 6-1.1-17-3 requires only online posting of a unit’s overall Notice to Taxpayers (Budget Form 3), the Capital Projects Fund Notice to Taxpayers is still required to be published in the newspaper. The Capital Projects Fund Notice to Taxpayers must be published one (1) time, at least ten (10) days before the date of the public hearing on the Capital Projects Fund Plan. The Capital Projects Fund Notice to Taxpayers must be published in two (2) newspapers published in the school corporation. If only one (1) newspaper is published in the school corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the school corporation, then publication shall be made in a newspaper published in the county in which the school corporation is located and that circulates within the school corporation.

The Notice to Taxpayers notifies taxpayers of the date, time, and location at which a public hearing will be held on the proposed Plan. For schools subject to binding adoption by the fiscal body of a county, city or town, the public hearing and the adoption of the Capital Projects Fund Plan is required to be completed by the School Board pursuant to IC 20-46-6-8.1 and IC 20-46-6-9.

In addition to this information, the Notice to Taxpayers provides a summary of the proposed Plan, which includes proposed expenditures from the CPF for the ensuing budget year. For each category of expenditures, certain CPF-specific departments correspond to the information that should be provided on the Notice to Taxpayers. The Notice to Taxpayers specifies the budgetary departments to be included in each category on the Notice to Taxpayers. Please note that only departments associated with the CPF should be included in these categories.

In addition to the proposed expenditures, the Notice to Taxpayers must identify the sources of revenue that will be available to fund the Plan. The detailed items to be included in the Notice to Taxpayers are as follows:

REVENUES

- Projected January 1 Cash Balance for the year identified.
 - This should be the cash balance projected at the start of the budget year, January 1, 2016.
- Encumbrances Carried Forward from Previous Year.
 - These are encumbrances anticipated to be carried over from 2015 into the 2016 budget year.
- Estimated Cash Balance Available for the Plan – Calculated by subtracting the encumbrances identified above from the projected January 1 cash balance.
- Property Tax Revenue – Proposed property tax levy for the year identified.
- Auto Excise, CVET, and FIT Receipts – Estimated revenues for the year identified.
- Other Revenue – Includes interest income and any other available or anticipated revenues not identified above.

PLEASE NOTE: The property tax revenue value identified on the Notice to Taxpayers for the ensuing budget year will be used as a determining factor by the Department in approving the corresponding levy. An erroneous entry for Property Tax Revenue for the ensuing budget year can result in a reduced or denied levy for the CPF. Please ensure that this value is correct prior to submitting the Notice to Taxpayers to the newspaper(s) for publication. On the attached template, you will notice that this cell is highlighted in yellow. This highlight will go away once a value is entered in this cell. In addition, you will see two warning messages to the right of the cell. Before a value is entered into the cell, the warning will read, “Please enter the proposed tax levy for the budget year.” After a value is entered, the warning will read, “Please ensure correct proposed tax levy prior to publication of this notice.” These warnings are for information purposes only and are not to be published.

Lastly, the Notice to Taxpayers provides details on the Allocation for Future Projects. For school corporations that have an Allocation for Future Projects amount identified, each project included in this amount must be identified. The projects will be broken out into two categories: new projects that have not previously been advertised and allocations that have been previously advertised. New projects identified on the Notice to Taxpayers will be subject to objections during the objection period after the publication of the Notice of Adoption. Projects that were previously advertised will not be subject to objection during this time period.

Notice of Adoption

The Notice of Adoption must also be published in the newspaper, following similar newspaper requirements as outlined above. The Notice of Adoption must be published one (1) time after the adoption of the Capital Projects Fund Plan. The Department requests that the publication of the Notice of Adoption occur within ten (10) days of the adoption of the Capital Projects Fund Plan.

The Notice of Adoption template attached mirrors the Notice to Taxpayers. The same specifications outlined above regarding the amounts to be identified on each line also apply to the Notice of Adoption. Likewise, the sources of revenue outlined above are also provided in the Notice of Adoption. Again, **it is imperative that the correct property tax revenue for the ensuing budget year is published in the Notice of Adoption. This value will be used as a determining factor by the Department in approving the corresponding levy.**

Ten or more taxpayers may file an objection petition with the auditor of the county in which the school corporation is located not later than ten days after the Notice of Adoption is published. Taxpayers may object to any new or modified items in the Plan, but may not object to projects that were previously included in the Plan (and therefore previously subject to objection). At the close of the ten-day objection period, if no petition is filed, the school corporation must obtain from the auditor a certification that no objection petition was filed. This certificate must be provided to the Department.

If an objection petition is filed, the auditor must immediately certify the petition to the Department. The Department will then schedule a hearing on the petition in the county in which the school corporation is located. After the hearing, the Department will certify its approval, disapproval, or modification of the Plan to the school corporation and the auditor.

Capital Projects Fund Plan

The attached Plan template is the same template that has been used for the last several years. The only change has been to update the years shown on the plan for the purposes of annualization.

A common question received by the Department on the Plan is what year of expenditure information should be included on the Main tab. As shown on the Main tab, this information should be for the current budget year, which is currently the 2015 budget year. The format of the Plan as required by 50 IAC 9-1-6 requires that the school corporation provide is current annual operating budgets.

The Department encourages all school corporations to adopt their Plan early to allow sufficient time for a Department hearing and review of objections to the Plan, as applicable.

Accurate completion of the attached notices and appropriate publication of these notices is crucial for the successful and timely completion of budget reviews by the Department. Your assistance in meeting these requirements is appreciated.

If you have any questions on the attached notices or Plan template, please contact Susan Clark, Budget Division Director, at sclark@dlgf.in.gov or (317) 234-3937.